

JHW DRAFT 3-14-16

**MURRAY COUNTY DISTRICT COURT
STATE OF OKLAHOMA**

FILED
MURRAY COUNTY, OKLAHOMA

MAR 17 2016

CHRISTIE P. DEAN, Court Clerk

By [Signature] Deputy

**TRACY WALLACE, CHAD WALLACE
and BOBBIE HOTEMA,**

Plaintiffs,

v.

**EQUITY INSURANCE COMPANY and
CCC INFORMATION SERVICES, INC.,**

Defendants.

CASE NO.:

CJ-16-20

JURY TRIAL DEMANDED

PETITION

COME NOW Plaintiffs Tracy Wallace, Chad Wallace and Bobbie Hotema ("Plaintiffs"), and file their Petition against Defendants Equity Insurance Company ("Equity") and CCC Information Services, Inc. ("CCC").

A. Parties

1. Plaintiffs are residents of Murray County, Oklahoma. This action involves a total loss to a vehicle owned by Plaintiffs Chad Wallace and Bobbie Hotema.

2. Plaintiff Tracy Wallace is insured by an automobile policy from Equity Insurance Company, which included coverage for first party property damage claims to the Vehicle, Policy No. N35062128 (the "Policy").

3. Plaintiffs Chad Wallace and Bobbie Hotema owned a 2004 Mazda M6S automobile (the "Vehicle"). The Vehicle is an insured vehicle under the Policy.

4. On March 18, 2014, the Vehicle was involved in a collision which caused the Vehicle to be a total loss under applicable Oklahoma law.



5. Accordingly, under the terms of the Policy and the Oklahoma Total Loss Statute, 36 O.S. § 36-1250.8, Equity was required to pay Plaintiffs an amount of money sufficient for Plaintiffs to purchase a comparable replacement vehicle.

6. Equity provided a Total Loss Evaluation/Settlement for the Vehicle in the amount of \$5,541.75, which Equity referred to as the ACV [actual cash value] Evaluation (the "Equity Evaluation"). The Equity Evaluation is attached hereto and incorporated herein as Exhibit A.

7. The Equity Evaluation, at 1, purports to include a "CCC Value" for the Vehicle in the amount of \$5,100.00. The purported "CCC One Market Valuation Report" (the "CCC Report") is attached to the Equity Evaluation and is included in Exhibit A. The CCC Report is statistically invalid in numerous respects. The CCC Report improperly selects purported "comparable" vehicles, makes improper mileage, condition, option and other adjustments and thereby significantly undervalues total loss vehicles including the Vehicle.

8. The CCC Report wrongfully undervalued the Vehicle by approximately \$900.00.

9. The Equity Evaluation also includes an NADA value of \$5,700.00. This is an incorrect NADA value for the Vehicle. The proper NADA valuation for the Vehicle is \$6,050.00. A true and correct copy of that valuation is attached hereto and incorporated herein as Exhibit B.

10. The Equity Evaluation purported to value the Vehicle at \$5,541.75 by averaging the statistically invalid CCC One value and the incorrect NADA value. This improper methodology obviously substantially undervalued the Vehicle.

11. The Oklahoma Total Loss Statute 36 O.S. § 36-1250.8 recognizes vehicle valuations prepared by the National Automobile Dealer Association (“NADA”) as being an appropriate method for determining the replacement cost of total loss vehicles in Oklahoma.

12. Equity refused to timely pay the claim on a basis other than the improper valuation of \$5,541.75. Equity wrongfully failed to make timely payment to Plaintiffs on the basis of a proper NADA valuation of \$6,050.00.

13. Specifically, as reflected by Equity’s letter of June 4, 2014 attached hereto and incorporated herein as Exhibit C, Equity offered Plaintiffs \$3,521.75 based upon the purported ACV of \$5,400.00 less \$500.00 deductible and \$1,620.00 for salvage value if Plaintiffs retained the vehicle. If Plaintiffs transferred the salvage title to Equity, Equity agreed to pay the purported salvage value for a total of 5,141.75.

14. As stated, this purported valuation was improperly based on the average of the statistically invalid CCC valuation of \$5,100.00 and the understated NADA value of \$5,700.00

15. On March 11, 2016, counsel for Plaintiffs sent Equity a letter demanding payment based upon the proper NADA value of \$6,050.00. Based on that valuation, Equity owed an additional \$650.00.

16. Equity sent that additional amount on March 1, 2016, nearly two years after the total loss to the Vehicle even though Plaintiff’s counsel informed Equity that Plaintiffs disputed the Equity Valuation in June 2014.

17. The Equity Evaluation represented an improper and statistically invalid valuation of the Vehicle because value in the CCC One Report of \$5,100.00, included in the “averaging,” is statistically invalid.

18. Thus, the improper CCC Report directly contributed to the undervaluation of the Vehicle.

19. Equity did not timely invoke the appraisal provision of the Policy.

20. Equity violated the terms of the Policy by initially “low balling” the claim by using the Equity Evaluation and including the statistically invalid CCC valuation as a component of its valuation process.

21. Equity knew or should have known that the CCC methodology was statistically invalid.

22. Equity used CCC valuations for the intentional and wrongful purpose of underpaying total loss claims to the material disadvantage of Equity insureds and to improperly save Equity money.

COUNT ONE
Breach of Contract Against Equity

23. Plaintiffs restate and incorporate herein by reference the allegations of Paragraphs 1-22 of this Petition.

24. The Policy between Equity and Plaintiffs constitutes a valid and binding contract.

25. Equity has breached its Policy by failing to make timely payment based upon the NADA value of \$6,050.00.

COUNT TWO
Bad Faith as to Equity

26. Plaintiffs restate and incorporate herein the allegations of Paragraphs 1- 22 of this Petition.

27. The Policy obligated Equity to properly and reasonably investigate the fair value of the total losses sustained by each such policyholder, including Plaintiffs, and then pay that

amount in a timely manner. The Policy also obligated Equity to act in good faith and to deal fairly with Plaintiffs in handling and adjusting their total loss claim.

28. Instead of properly investigating and paying Plaintiffs' total loss claim, Equity utilized CCC valuations for the wrongful and bad faith purpose of intentionally and improperly reducing total loss payments to Plaintiffs and other Equity insureds, in an improper attempt to save money at the expense of Equity insureds, including Plaintiffs.

29. Equity's conduct in "low balling" Plaintiffs' claim, utilizing the statistically invalid CCC methodology, intentionally undervaluing Plaintiffs' total loss claim, and withholding the full value of that claim, is unreasonable and unjustifiable under the circumstances, and constitutes bad faith under Oklahoma law.

30. Equity has acted in bad faith in adjusting Plaintiffs' claim.

31. Plaintiffs has suffered damage as a direct and proximate result of such unreasonable, bad faith conduct on the part of Equity and is, therefore, entitled to recover compensatory and punitive damages, as well as any other such damages, costs or attorneys' fees to which Plaintiffs may be entitled under Oklahoma law.

COUNT THREE

Tortious Interference with Performance of a Contract as to CCC

32. Plaintiffs restate and incorporate herein by reference the allegations of Paragraphs 1-22 of this Petition.

33. The Policy obligated Equity to properly investigate the value of Plaintiffs' total loss claim using a fair and statistically valid valuation system or methodology, and then to properly pay the Plaintiffs the proper value of their total loss.

34. At all times relevant hereto, CCC had knowledge that Equity entered into such insurance policies with its insureds and that the policies obligated Equity to promptly and properly pay total loss claims. This knowledge is demonstrated by the fact that CCC prepared the CCC Report which specifically identified and valued Plaintiffs' Vehicle.

35. CCC had actual knowledge that Equity used the CCC Reports to adjust the total loss claims of Equity insureds.

36. CCC also had actual knowledge that Equity typically would refuse to increase total loss payments to insureds beyond the value derived, in part, from CCC valuations and that Equity settled the majority of its total loss claims based on such improper values.

37. CCC wrongfully interfered with Equity's contractual obligations to Plaintiffs by knowingly and intentionally selling to Equity a statistically invalid and wholly arbitrary total loss valuation product for the specific purpose of enabling Equity to underpay the claims of total loss insureds, including Plaintiffs.

38. Equity's breaches that were caused by CCC's unjustified, intentional and malicious interference with Plaintiffs' contractual rights under the Policy include the following: (a) failing to properly value Plaintiffs' total loss; (b) using arbitrary and statistically invalid methodology to value Plaintiffs' total loss claim; and (c) causing Equity to fail to pay the proper amount due and owing to the Plaintiffs.

39. Plaintiffs suffered damages as a proximate result of CCC's improper CCC Report and resulting tortious interference with the contractual relationship between Equity and the Plaintiffs. Therefore Plaintiffs is entitled to recover compensatory and punitive damages, as well as any other such damages, costs or attorneys' fees to which the Plaintiffs may be entitled under Oklahoma law.

COUNT FOUR

**Breach of Contract as to CCC arising from Plaintiffs'
Status as a Third-Party Beneficiary of the Agreement Between Said Defendants**

40. Plaintiffs restate and incorporate herein by reference the allegations of Paragraphs 1-22 of this Petition.

41. At all times relevant hereto, CCC contracted to provide Equity with total loss valuations. The intended purpose of this agreement was to “outsource” Equity’s valuation of total loss claims. This agreement was formed for the purpose of satisfying the obligation of Equity to value and pay total loss claims.

42. As insureds for whom a valuation was prepared under this agreement, Plaintiffs are an intended beneficiary of the Agreement between Equity and CCC and was entitled to sue for breach of that Agreement.

43. Plaintiffs alleges that CCC breached this agreement by providing Equity with a total loss valuation that was not statistically valid and that was wholly arbitrary in the manner in which it valued total losses, including Plaintiffs’ total loss. CCC supplied the improper CCC Report to Equity in the course of business for the purported direct benefit of the Plaintiffs.

44. CCC’s breach of its agreement to provide valid total loss valuations to Equity proximately caused damage to Plaintiffs. CCC is, therefore, liable to Plaintiffs as an intended third party beneficiary for compensatory and consequential damages flowing from said breaches.

COUNT FIVE

Conspiracy as to Equity and CCC

45. Plaintiffs restate and incorporate herein by reference the allegations of Paragraphs 1-22 of this Petition.

46. Equity entered into an illicit agreement and conspiracy to utilize CCC Reports to provide improper total loss valuations. Specifically, Equity and CCC conspired to underpay

Plaintiffs and other Oklahoma total loss insureds by using CCC valuations, which were not intended to calculate the fair value of total loss vehicles, but rather to improperly undervalue total loss claims of Equity insureds.

47. Equity's conspiracy with CCC to use invalid CCC valuation methodology deprived the Plaintiffs of the proper value of their total losses. The overt acts emanating from these Defendants' illicit agreement to so deprive the Plaintiffs include, but are not limited to, undervaluation of Plaintiffs' claim using CCC, and Equity's failure to properly investigate, adjust and pay that claim as a direct result of the CCC Report.

48. Plaintiffs has been damaged as a proximate result of the Defendants' illicit agreement and conspiracy. Therefore, CCC and Equity are each liable for the torts of one another arising out of their conspiracy as defined herein and Plaintiffs is entitled to recover compensatory and punitive damages against Equity and CCC.

COUNT SIX
Attorneys' Fees

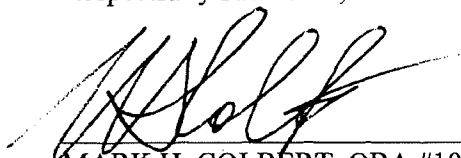
49. Plaintiffs restate and incorporate herein by reference the allegations of Paragraphs 1-22 of this Petition.

50. As a result of Equity's failure to pay Plaintiffs' claims in a timely and proper manner as required by Oklahoma law, Plaintiffs are entitled to recover attorneys' fees under 36 O.S. §3629.

WHEREFORE, PREMISES CONSIDERED, Plaintiffs respectfully request that the Court award compensatory and punitive damages including intent and bad faith damages in an amount in excess of the amount required for diversity jurisdiction pursuant to Section 1332 of Title 28 of the United States Code and in such amount as proof at trial may show plus interest and attorneys' fees.

PLAINTIFFS RESPECTFULLY DEMANDS A TRIAL BY JURY.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Colbert', is written over a horizontal line.

MARK H. COLBERT, OBA #10045

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Ardmore, Oklahoma 73402

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(580) 226-1911

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EXHIBIT A

Total Loss Evaluation/Settlement

And

CCC One Market Valuation Report

H5IG, Inc.

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1403184773
TRACY WALLACE

TOTAL LOSS EVALUATION / SETTLEMENT
DOI: 3/18/2014

2004 MAZDA 6
1YVFP80C140N68362

| SETTLEMENT OFFER EVALUATION | | | |
|-----------------------------------|----------|------------------|----------|
| Last Update: 5/12/14 | | PL Adjuster: JPA | |
| NADA | CCC | AVERAGE | |
| 5,700.00 | 5,150.00 | 5,400.00 | |
| BASE ACV | | | 5,400.00 |
| (-) MSO | | | |
| (-) MSO | | | |
| GROSS ACV | | | 5,400.00 |
| (+/-) T/T fees | | | 241.75 |
| NET ACV | | | 5,641.75 |
| (-) Deductible | | | 500 |
| ACV EVALUATION | | | 5,141.75 |
| SALVAGE VALUE % | | | 30% |
| | | | 1,620.00 |
| NET OFFER company retains salvage | | | 5,141.75 |
| NET OFFER owner retains salvage | | | 3,521.75 |

| SETTLEMENT NEGOTIATIONS | | |
|-------------------------|----------------------|---------------------------|
| OFFER 1 | <input type="text"/> | DATE <input type="text"/> |
| COUNTER 1 | <input type="text"/> | DATE <input type="text"/> |
| OFFER 2 | <input type="text"/> | DATE <input type="text"/> |
| COUNTER 2 | <input type="text"/> | DATE <input type="text"/> |
| OFFER 3 | <input type="text"/> | DATE <input type="text"/> |
| COUNTER 3 | <input type="text"/> | DATE <input type="text"/> |
| SETTLED | <input type="text"/> | DATE <input type="text"/> |

| PAYMENTS | | | | |
|----------|--------|------------|----------------|--|
| Date | Amount | PAYEE | Owner Retained | |
| | | Owner | | |
| | | Lienholder | | |

| SALVAGE RECOVERY | | | |
|------------------|----------------|-----------------|---------------|
| SOLD TO | Gross Recovery | (-) P&H Charges | NET RECOVERY: |
| | | | 0.00 |

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CCC ONE
MARKET VALUATION REPORT**CLAIM INFORMATION**

| | | | |
|---------------------|---------------------------|--------------------------|-----------------|
| Owner: | Wallace | Report Reference Number: | 51849437 |
| Insured: | Wallace | Claim Reference: | 1403184770 |
| Loss Vehicle: | 2004 Mazda 8 4 Door Sedan | Adjuster: | Allison, Jackie |
| VIN: | 1YVFP86D145N88665 | Adjuster ID: | JALLISC |
| Odometer: | 177,886 | Claim Submitted Date: | 04/01/2014 |
| Location: | Sulphur, OK 73088 | Date/Time Last Updated: | Original |
| Loss Incident Date: | 03/28/2014 | Appraiser: | Allison, Jackie |

VALUATION SUMMARY

| | |
|------------------------------|--------------------|
| Base Vehicle Value | \$ 5,100.00 |
| Adjusted Vehicle Value | \$ 5,100.00 |
| Vehicle Sales Tax | \$ |
| License/Fees (if applicable) | \$ |
| Total | \$ 5,100.00 |

This CCC ONE™ Market Valuation Report was prepared for Equity Insurance by CCC Information Services Inc. The CCC ONE™ Market Valuation Report reflects CCC's opinion as to the value of the loss vehicle. CCC has been preparing market value reports for the insurance industry since 1981.

The Base Vehicle Value is derived from comparable vehicles available or recently sold in the marketplace at the time of valuation, with adjustments made to reflect the loss vehicle configuration.

5 comparable vehicles were utilized in this report.

The loss vehicle has been valued in the Southwest region where it was garaged as a older passenger car with 34% greater than average mileage of 132,700.

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CCC ONE
MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

VEHICLE ALLOWANCES

Allowances are factors influencing the value of the loss vehicle when compared to a typical vehicle. The typical vehicle is a vehicle of the same year, make, and model as the loss vehicle, including average mileage, and all standard and premium equipment. These allowances are displayed for illustrative purposes only.

The Base Vehicle Value is calculated from the comparable vehicles with adjustments to reflect the loss vehicle configuration.

Vehicle Allowances

| | | |
|------------------------|----------|--------------|
| Odometer | 177,645 | - \$1,200.00 |
| Options | | |
| Automatic Transmission | Reported | + \$100.00 |
| Power Driver Seat | Reported | + \$115.00 |
| Power Passenger Seat | Reported | + \$115.00 |
| Leather Seats | Reported | + \$100.00 |
| Premium Radio | Reported | + \$115.00 |
| Dual Power Sunroof | Reported | + \$100.00 |
| Rear Spoiler | Reported | + \$115.00 |

VEHICLE HISTORY SUMMARY

National Highway Traffic Safety Administration 2 Records

HSIG, Inc

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

LOSS VEHICLE COMPONENTS

2004 MAZDA 6 4 DOOR SEDAN -- SULPHUR, OK 73086

VIN: 1YVFP80D145N88565

Below are the components of the loss vehicle, provided to CCC by Equity Insurance, included in this valuation.

| | | | |
|--------------------------|----------|-------------------------------|----------|
| Odometer | 111,686 | Leather Seats | Standard |
| Transmission | | Radio | |
| Automatic Transmission | Standard | AM Radio | Standard |
| Power | | FM Radio | Standard |
| Power Steering | Standard | Stereo | Standard |
| Power Brakes | Standard | CD Player | Standard |
| Power Windows | Standard | Steering Wheel Touch Controls | Standard |
| Power Locks | Standard | Premium Radio | |
| Power Mirrors | Standard | Wheels | |
| Power Driver Seat | | Aluminum Alloy Wheels | Standard |
| Power Passenger Seat | | Roof | |
| Power Trunk/Gate Release | Standard | On a Power Sunroof | |
| Decor/Convenience | | Safety/Brakes | |
| Air Conditioning | Standard | Driver's Side Air Bag | Standard |
| Tilt Wheel | Standard | Passenger Air Bag | Standard |
| Cruise Control | Standard | Anti-Lock Brakes (4) | Standard |
| Rear Defogger | Standard | 4-Wheel Disc Brakes | Standard |
| Intermittent Wipers | Standard | Alarm | Standard |
| Console Storage | Standard | Traction Control | Standard |
| Keyless Entry | Standard | Exterior/Paint/Glass | |
| Telescopic Wheel | Standard | Door Mirrors | Standard |
| Seating | | Body Side Moldings | Standard |
| Bucket Seats | Standard | Tinted Glass | |
| Reclining/Lounge Seats | | Rear Spoiler | |
| | | Two Tone Paint | |

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CCC ONE²
MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

VEHICLE CONDITION

Equity Insurance uses condition inspection guidelines to determine the condition of key components of the loss vehicle. These guidelines are based upon geographic region, age, and vehicle type. The guidelines describe physical characteristics for the major vehicle components. Based on these guidelines, Equity Insurance has determined the condition of the vehicle prior to the loss. Inspection Notes reflect additional observations from the appraiser regarding the loss vehicle's condition. CCC makes dollar adjustments that reflect the impact the reported condition has on the value of loss vehicle. These dollar adjustments are based upon interviews with dealerships across the United States.

| COMPONENT | CONDITION | VALUE IMPACT |
|-----------|--------------------|-----------------|
| Mechanics | Average private | \$0 |
| Tires | Average private | \$0 |
| Paint | Average private | \$0 |
| Body | Average private | \$0 |
| Glass | Average private | \$0 |
| Interior | Average private | \$0 |
| | Total Adjustments: | \$0 |

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

NHTSA VEHICLE RECALL

The National Highway Traffic Safety Administration has issued 2 safety related recall notices that may apply to the above valued vehicle.

NHTSA ID: 13V130600

ISSUED:

NO. OF VEHICLES: 149

Air bags Mazda is recalling certain model year 2003-2004 Mazda3 Vehicles manufactured January 14, 2003, through May 29, 2003, and 2004 RX-8 Vehicles manufactured June 26, 2003, through June 30, 2003, to address a safety defect in the passenger side air bag which may produce excessive internal pressure causing the inflator to rupture upon deployment of the air bag. In the event of a crash necessitating deployment of the passenger's air bag, the inflator could rupture with metal fragments striking and potentially seriously injuring the passenger seat occupant or other occupants. Owners of all Vehicles on which a defective air bag may have been installed as original equipment will be notified. Dealers will inspect Vehicles, and where a defective air bag inflator is identified, the inflator will be replaced, free of charge. The safety recall will begin in May 2013. Owners may contact Mazda Customer assistance center at 1-800-222-5530, option #6. Mazda's recall campaign number is 6913D.

NHTSA ID: 14V582000

ISSUED: 12/27/2004

NO. OF VEHICLES: 190

Seat belts Rear on certain passenger Vehicles the Right and/or left rear seat belts may not lock properly due to missing retaining pins on the housing. The locking mechanism of the seat belt retractor may malfunction, increasing the risk of death or serious injury to the rear seat passengers in the event of a crash. Passengers should not sit and child seats should not be used in the Right and/or left rear seats until this defect has been corrected. Dealers will inspect the rear seat belts and replace defective seat belt retractors. The recall began on December 27, 2004. Owners should contact Mazda at 1-800-222-5530, option #4.

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CCC ONE[®]

MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

COMPARABLE VEHICLES

LOSS VEHICLE - 2004 MAZDA 6 4 DOOR SEDAN — SULPHUR, TX 73085
VIN: 1YVFP800145N83565

| | LOSS VEHICLE 2004 MAZDA 6 4 DOOR SEDAN 6-3.0L-FI | DEALER VEHICLE COMPARABLE 1 2004 MAZDA 6 4 DOOR SEDAN 4-2.3L | DEALER VEHICLE COMPARABLE 2 2004 MAZDA 6 4 DOOR SEDAN 4-2.3L | DEALER VEHICLE COMPARABLE 3 2005 MAZDA 6 4 DOOR SEDAN 4-2.3L |
|-------------------------------|---|--|--|--|
| Options | | | | |
| Automatic Transmission | ✓ | x | x | ✓ |
| 5 Speed Transmission | ✓ | ✓ | ✓ | x |
| Overdrive | x | ✓ | x | x |
| Power Steering | ✓ | ✓ | ✓ | ✓ |
| Power Brakes | ✓ | ✓ | ✓ | ✓ |
| Power Windows | ✓ | ✓ | ✓ | ✓ |
| Power Locks | ✓ | ✓ | ✓ | ✓ |
| Power Mirrors | ✓ | ✓ | ✓ | ✓ |
| Power Driver Seat | ✓ | x | x | x |
| Power Passenger Seat | ✓ | x | x | x |
| Power Trunk/Gate Release | ✓ | ✓ | ✓ | x |
| Air Conditioning | ✓ | ✓ | ✓ | ✓ |
| Tilt Wheel | ✓ | ✓ | ✓ | ✓ |
| Cruise Control | ✓ | ✓ | ✓ | ✓ |
| Rear Defogger | ✓ | ✓ | ✓ | ✓ |
| Intermittent Wipers | ✓ | ✓ | ✓ | ✓ |
| Console/Storage | ✓ | ✓ | ✓ | ✓ |
| Keyless Entry | ✓ | ✓ | ✓ | ✓ |
| Telescopic Wheel | ✓ | ✓ | ✓ | ✓ |
| Cloth Seats | x | ✓ | ✓ | ✓ |
| Bucket Seats | ✓ | ✓ | ✓ | ✓ |
| Reclining/Lounge Seats | ✓ | x | x | ✓ |
| Leather Seats | ✓ | x | x | x |
| AM Radio | ✓ | ✓ | ✓ | ✓ |
| FM Radio | ✓ | ✓ | ✓ | ✓ |
| Stereo | ✓ | ✓ | ✓ | ✓ |
| Search/Seek | x | x | x | ✓ |
| CD Player | ✓ | ✓ | ✓ | ✓ |
| Steering Wheel Touch Controls | ✓ | ✓ | ✓ | ✓ |
| Premium Radio | ✓ | x | x | x |
| Wheel Covers | x | ✓ | ✓ | ✓ |
| Aluminum/Alloy Wheels | ✓ | x | x | x |
| Dual Power Sunroof | ✓ | x | x | x |
| Driver's Side Air Bag | ✓ | ✓ | ✓ | ✓ |
| Passenger Air Bag | ✓ | ✓ | ✓ | ✓ |

CCC, Inc.

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

COMPARABLE VEHICLES (CONTINUED)

| | | | | |
|---|---------|------------------------------|-----------------------|------------------------------|
| Anti-Lock Brakes (4) | ✓ | X | X | ✓ |
| 4-Wheel Disc Brakes | ✓ | ✓ | ✓ | ✓ |
| Air Air | ✓ | X | X | X |
| Traction Control | ✓ | X | X | ✓ |
| Dual Mirrors | ✓ | ✓ | ✓ | ✓ |
| Body Side Moldings | ✓ | ✓ | ✓ | ✓ |
| Tinted Glass | ✓ | X | X | X |
| Rear Spoiler | ✓ | X | X | X |
| Two Tone Paint | ✓ | X | X | X |
| Miles | 177,046 | 163,845 | 210,945 | 140,280 |
| List Price | | \$3,505 | \$1,530 | \$3,517 |
| Adjustments | | | | |
| Model/Trim/Year | | +425 | +425 | -500 |
| Options | | +350 | +950 | -650 |
| Mileage | | +100 | +294 | -424 |
| Comparable Vehicle Condition Adjustment | | -510 | -510 | -510 |
| Adjusted Value | | 14,815 | 1,559 | 14,101 |
| Dealership | | De Auto | Capital Eurocars | Jim Norton Toyota |
| Telephone | | 405-943-5000 | 580-574-3777 | 405-526-5285 |
| Stock ID | | | | Stock: T65M43971 |
| VIN | | | | 1YVFP80D55M43971 |
| Type/Date | | Pub Date: 3/16/2014 | Pub Date: 3/17/2014 | Pub Date: 3/21/2014 |
| Distance from Suburban, OK | | 76 Miles - Oklahoma City, OK | 82 Miles - Lawton, OK | 83 Miles - Oklahoma City, OK |

- Comparable vehicles used in the determination of the Base Vehicle Value are not intended to be replacement vehicles but are reflective of the market value.
- List Price is the sticker price of an inspected dealer vehicle and the advertised price for the advertised vehicle. Take Price is the amount that the dealership has stated it will accept to sell the inspected dealer vehicle. For advertised vehicles, the Advertised Price is the same as List Price.
- Take Price or List Price displayed above (as applicable) may differ from the advertised price where CCC obtains different price information from the seller.
- The Comparable Vehicle Condition Adjustment sets that vehicle to a common condition baseline. To see how the condition of the loss vehicle impacts the valuation, see the Vehicle Condition section of this report.
- Comparable vehicles used in the determination of the Base Vehicle Value are not intended to be replacement vehicles but rather are included because they are reflective of the market value.
- The Adjusted Value represents the price of the comparable vehicle with the adjustments displayed above. Dealer adjustments are based upon market research.
- Distances displayed indicate approximate miles between loss and comparable vehicle locations. Distances are based upon a straight line between these locations.
- Some comparable vehicles that were recently available may no longer be available.

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CCC ONE®

MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

COMPARABLE VEHICLES (CONTINUED)

| | DEALER VEHICLE COMPARABLE 4 2004 MAZDA 6 4 DOOR SEDAN 6-3.0L-FI | DEALER VEHICLE COMPARABLE 4 2005 MAZDA 6 4 DOOR SEDAN 4-2.3L | DEALER VEHICLE COMPARABLE 5 2005 MAZDA 6 4 DOOR SEDAN 4-2.3L | DEALER VEHICLE COMPARABLE 6 2004 MAZDA 6 4 DOOR SEDAN 4-2.3L |
|----------------------------------|---|--|--|--|
| Options | | | | |
| Automatic Transmission | ✓ | ✓ | ✓ | ✓ |
| Power Steering | ✓ | ✓ | ✓ | ✓ |
| Power Brakes | ✓ | ✓ | ✓ | ✓ |
| Power Windows | ✓ | ✓ | ✓ | ✓ |
| Power Locks | ✓ | ✓ | ✓ | ✓ |
| Power Mirrors | ✓ | ✓ | ✓ | ✓ |
| Power Driver Seat | ✓ | ✓ | ✓ | ✓ |
| Power Passenger Seat | ✓ | ✓ | ✓ | ✓ |
| Power Trunk/Gate Release | ✓ | ✓ | ✓ | ✓ |
| Air Conditioning | ✓ | ✓ | ✓ | ✓ |
| Tilt Wheel | ✓ | ✓ | ✓ | ✓ |
| Cruise Control | ✓ | ✓ | ✓ | ✓ |
| Rear Defogger | ✓ | ✓ | ✓ | ✓ |
| Intermittent Wipers | ✓ | ✓ | ✓ | ✓ |
| Console/Storage | ✓ | ✓ | ✓ | ✓ |
| Overhead Console | ✓ | ✓ | ✓ | ✓ |
| Keyless Entry | ✓ | ✓ | ✓ | ✓ |
| Telescopic Wheel | ✓ | ✓ | ✓ | ✓ |
| Cloth Seats | ✓ | ✓ | ✓ | ✓ |
| Bucket Seats | ✓ | ✓ | ✓ | ✓ |
| Reclining/Lounge Seats | ✓ | ✓ | ✓ | ✓ |
| Leather Seats | ✓ | ✓ | ✓ | ✓ |
| AM Radio | ✓ | ✓ | ✓ | ✓ |
| FM Radio | ✓ | ✓ | ✓ | ✓ |
| Stereo | ✓ | ✓ | ✓ | ✓ |
| Search/Seek | ✓ | ✓ | ✓ | ✓ |
| CD Player | ✓ | ✓ | ✓ | ✓ |
| Steering Wheel Touch Controls | ✓ | ✓ | ✓ | ✓ |
| Premium Radio | ✓ | ✓ | ✓ | ✓ |
| Wheel Covers | ✓ | ✓ | ✓ | ✓ |
| Aluminum Alloy Wheels | ✓ | ✓ | ✓ | ✓ |
| Dual Power Sunroof | ✓ | ✓ | ✓ | ✓ |
| Driver's Side Air Bag | ✓ | ✓ | ✓ | ✓ |
| Passenger Air Bag | ✓ | ✓ | ✓ | ✓ |
| Anti-Lock Brakes (4) | ✓ | ✓ | ✓ | ✓ |
| 4-Wheel Disc Brakes | ✓ | ✓ | ✓ | ✓ |
| Front Side Impact Air Bags | ✓ | ✓ | ✓ | ✓ |

HSIG, Inc

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

COMPARABLE VEHICLES (CONTINUED)

| | | | | |
|---|---------|------------------------------|------------------------|--------------------------|
| Head/Curtain Air Bags | ✓ | ✓ | ✓ | ✓ |
| Alarm | ✓ | ✓ | ✓ | ✓ |
| Traction Control | ✓ | ✓ | ✓ | ✓ |
| Dual Mirrors | ✓ | ✓ | ✓ | ✓ |
| Body Side Moldings | ✓ | ✓ | ✓ | ✓ |
| Tinted Glass | ✓ | ✓ | ✓ | ✓ |
| Privacy Glass | ✓ | ✓ | ✓ | ✓ |
| Fog Lamps | ✓ | ✓ | ✓ | ✓ |
| Rear Spoiler | ✓ | ✓ | ✓ | ✓ |
| Two Tone Paint | ✓ | ✓ | ✓ | ✓ |
| Miles | 177,846 | 141,122 | 148,345 | 150,902 |
| List Price | | \$5,795 | \$4,998 | \$6,283 |
| Adjustments | | | | |
| Model/Trim/Year | | -800 | -500 | +425 |
| Options | | +300 | +850 | +94 |
| Mileage | | -610 | +376 | -514 |
| Comparable Vehicle condition adjustment | | -510 | -510 | -510 |
| Adjusted Value | | \$5,710 | \$5,190 | \$5,647 |
| Dealership | | Bob Howard Toyota Sales | Diffie Ford | Reynolds Lincoln Mercury |
| Telephone | | 638-872-5751 | 405-262-4546 | 405-321-4458 |
| Stock ID | | Stock: 58M05465 | Stock: 165144 | Stock: 1M1TP84074 |
| VIN | | 1YVHP20CX65M05465 | 1YVFP80C230M38165 | |
| Type-Date | | Pub Date 3/20/2014 | Pub Date 3/20/2014 | Pub Date 3/18/2014 |
| Distance from Superior, OK | | 78 Miles - Oklahoma City, OK | 78 Miles - El Reno, OK | 55 Miles - Norman, OK |

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

ADDITIONAL COMPARABLE VEHICLES

The following comparable vehicles support the Base Vehicle Value of the loss vehicle.

Local Advertisement

| Source | Vehicle | List Price | Adjusted Value |
|--|---|------------|----------------|
| Moore Auto Sales Ad Date: 03/06/2014 (405) 799-4400 Oklahoma City OK 64 Miles From Suburban | 2004 Mazda 6 Odometer: 141,280 VIN: 1YVFP80C845N85826 | \$4,895 | \$4,951 |
| Legends Auto Sales Ad Date: 03/17/2014 (405) 440-0044 Bethany OK 77 Miles From Suburban | 2004 Mazda 6 Odometer: 125,544 | \$5,896 | \$4,813 |
| Real Credit Auto Ad Date: 03/17/2014 (813) 825-3030 Pryor OK 156 Miles From Suburban | 2004 Mazda 6 Odometer: 133,607 | \$5,000 | \$5,182 |
| Roberts Dodge Chrysler Inc Ad Date: 03/10/2014 (580) 366-1320 Pryor OK 156 Miles From Suburban | 2004 Mazda 6 Odometer: 115,016 VIN: 1YVFP80C845N10496 | \$5,860 | \$4,866 |
| Nationwide Autos Direct Ad Date: 01/02/2014 (405) 601-8265 Oklahoma City OK 70 Miles From Suburban | 2005 Mazda 6 Odometer: 142,504 VIN: 1YVHF80C155V58793 | \$4,950 | \$4,214 |
| David Stanley Dodge of No Ad Date: 03/18/2014 (405) 321-8298 Oklahoma City OK 70 Miles From Suburban | 2005 Mazda 6 Odometer: 97,208 VIN: 1YVFP80D355M12108 | \$7,290 | \$5,307 |
| Automated.com Ad Date: 01/02/2014 (813) 924-6688 Broken Arrow OK 125 Miles From Suburban | 2005 Mazda 6 Odometer: 146,000 | \$5,000 | \$4,808 |
| David Moore Auto Group Ad Date: 03/14/2014 (580) 765-2511 Ponca City OK 100 Miles From Suburban | 2005 Mazda 6 Odometer: 122,870 | \$7,377 | \$6,408 |

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

Raymond Taylor Auto Sales
 Ac Date: 01/15/2014
 (S18) 478-1100
 Fort Gibson OK
 134 Miles From Suburb

2004 Mazda 6
 Odometer: 167,043
 VIN: 1YVFP84C646N77809

\$ 5,500 \$ 5,132

S & B Auto
 Ac Date: 03/17/2014
 (S18) 542-5515
 Miami OK
 201 Miles From Suburb

2006 Mazda 6
 Odometer: 143,978

\$ 4,495 \$ 3,775

Quality Value Auto Sales
 Ac Date: 03/17/2014
 (S18) 251-8181
 Broken Arrow OK
 126 Miles From Suburb

2004 Mazda 6
 Odometer: 47,000

\$ 3,897 \$ 4,305

Nelson Nesser
 Ac Date: 01/07/2014
 (S18) 258-9001
 Broken Arrow OK
 126 Miles From Suburb

2006 Mazda 6
 Odometer: 114,147
 VIN: 1YVFP60C046N23108

\$ 5,997 \$ 4,725

VALUATION METHODOLOGY

Equity Insurance has provided CCC the VIN (Vehicle Identification Number) of the loss vehicle and the vehicle owner's zip code, which determines the market(s) that CCC used in the valuation. Using this information, CCC searches its databases to find comparable vehicles in these markets. CCC's database includes vehicles for sale at auctions, listings that CCC has physically inspected, as well as dealer and private party advertised vehicle information from numerous resources including AutoTrader.com®. Equity Insurance has also provided CCC with the configuration of the loss vehicle, including equipment, odometer, condition, maintenance, etc. Vehicles located are compared to the loss vehicle, and adjustments are made for differences such as make/model, equipment, and odometer. The comparable vehicles are also adjusted for condition to a common condition baseline. Using the adjusted values of the comparable vehicles, CCC calculates the Base Vehicle Value.

The Base Vehicle Value is the weighted average of the adjusted values of the comparable vehicles based on the following factors:

- Source of the data (such as inspected versus advertised)
- Similarity (such as equipment, odometer, and year)
- Proximity to the loss vehicle's primary garage location
- Recency of information
- Comparable vehicles used in the determination of the vehicle value are not intended to be replacement vehicles, but are reflective of the market value.

The Adjusted Vehicle Value is determined by adjusting the Base Vehicle Value to account for the actual condition of the loss vehicle and its other recorded attributes, if any, such as refurbishments, after factory equipment, and unrecorded prior damage.

Please review the information in this Valuation Detail to confirm the reported mileage, condition and to verify there are no missed options, added equipment or refurbishments, or other aspects of the loss vehicle that may impact the value.

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MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

VALUATION NOTES

Statutes concerning vehicle value include Oklahoma Statutes 36-1-12A-1-1250 &

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CCC ONE³

MARKET VALUATION REPORT

Owner: Wallace

Claim Reference: 1403184770

MARKET DEFINITION

The loss vehicle has been identified to CCC as a 2004 Mazda 6 4 Door Sedan garaged in the ZIP code 73086 - Sulphur, OK. Details of the specific markets searched based upon that information follow:

THE STATE OF OKLAHOMA is subdivided by CCC into 4 markets. The following 4 markets were used in the preparation of this vehicle Market Valuation Report.

OKLAHOMA CITY OK - In this market, CCC maintains a database of 6,176 inspected dealer vehicles located at 24 dealerships, and 53,670 dealer advertised, and 1,569 privately advertised vehicles taken from 20 local papers or magazines.

TULSA OK - In this market, CCC maintains a database of 4,250 inspected dealer vehicles located at 24 dealerships, and 22,220 dealer advertised, and 1,167 privately advertised vehicles taken from 15 local papers or magazines.

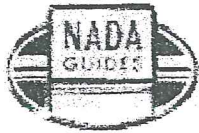
LAWTON OK - In this market, CCC maintains a database of 1,830 inspected dealer vehicles, and 113 privately advertised vehicles taken from 7 local papers or magazines.

WICHITA KS - In this market, CCC maintains a database of 3,432 inspected dealer vehicles located at 16 dealerships, and 10,119 dealer advertised, and 345 privately advertised vehicles taken from 11 local papers or magazines.

From these 4 markets, comparable vehicles were selected based on the year, make, model/year and body style of the loss vehicle.

EXHIBIT B

NADA Valuation



The Power of Vehicle Information
NADAguides.com

[X Close Window](#)

4/24/2014

2004 Mazda Mazda6-V6

Sedan 4D s

NADAguides.com Price Report

| | Rough Trade-In | Average Trade-In | Clean Trade-In | Clean Retail |
|---------------------------------|-------------------|---------------------|-------------------|-----------------|
| Base Price | \$2,700 | \$3,550 | \$4,250 | \$6,375 |
| Mileage: (177,888) miles | -\$1,050 | -\$1,050 | -\$1,050 | -\$1,050 |
| Total Base Price | \$1,650 | \$2,500 | \$3,200 | \$5,325 |
| Options: | | | | |
| Power Seat | \$125 | \$125 | \$125 | \$150 |
| Leather Seats | \$700 | \$700 | \$200 | \$225 |
| Aluminum Alloy Wheels | Std. | Std. | Std. | Std. |
| Power Sunroof | \$300 | \$300 | \$300 | \$350 |
| PRICE with Options | \$2,275 | \$3,125 | \$3,825 | \$6,050 |

The history of a vehicle
impacts its value

Get the history at
AutoCheck.com / NADAguides



EXHIBIT C

Equity letter dated June 4, 2014



P.O. Box 4756
Tulsa, OK 74159
918-582-7700 Phone
800-777-0404 WATS
918-582-3053 Fax
888-306-9539 Toll Free Fax

June 3rd, 2014.

Colbert Law Offices
200 Stanley
Ardmore, OK 73402

Re: Our Claims Number: 1403198770
Our Policyholder: Tracy Wallace
Your Client: Tracy Wallace
Date of Loss: 7-11-13

Dear Mr. Colbert:

This letter will serve to confirm our conversation on June 3rd, 2014:

Thank you for providing our office with a copy of the title and the location of the vehicle.

We have enclosed a check for the undeposited amount of \$8,141.75. This payment represents our evaluation of the actual cash value plus the appropriate tag, tax, and title fees, less the applicable deductible. We trust that you will provide the following: 1) Executed Power of Attorney signed by both title owners 2) Original title and 3) Lien release.

You have communicated that your client does not agree with our evaluation. If your client has any documentation or information to support a higher value, please forward that information to our office at your earliest convenience. In the meantime we refer you to the policy, specifically the appraisal provision under Part D.

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO.

APPRAISAL

A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their difference to an umpire. A decision agreed to by any two will be binding. Each party will:

- 1) Pay its chosen appraiser, and
- 2) Bear the expenses of the appraisal and umpire equally.

B. We do not waive any of our rights under this policy by agreeing to an appraisal.



P.O. Box 4756
Tulsa, OK 74158
918-582-7700 Phone
800-777-0404 VATS
918-582-3053 Fax
888-305-2538 Toll Free Fax

June 4th, 2014

Colbert Law Offices
200 Stanley
Ardmore, OK 73402

RE: Our Claim Number: 1403184770
Our Policyholder: Tracy Wallace
Your Client: Tracy Wallace
Date of Loss: 7-11-13

Dear Mr. Colbert:

This letter will serve to confirm our conversation on June 3rd, 2014.

Thank you for providing our office with a copy of the title and the location of the vehicle.

We have enclosed a check for the undisputed amount of \$5,141.75. This payment represents our evaluation of the actual cash value plus the appropriate tag, tax, and title fees, less the applicable deductible. We trust that you will provide the following: 1) Executed Power of Attorney signed by both title owners 2) Original title and 3) Lien release.

You have communicated that your client does not agree with our evaluation. If your client has any documentation or information to support a higher value, please forward that information to our office at your earliest convenience. In the meantime we refer you to the policy, specifically the appraisal provision under Part D.

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1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

B. We do not waive any of our rights under this policy by agreeing to an appraisal.

We will await your response on how you would like to proceed in order to bring this claim to resolution.

You may reach us at the number below if you have any questions.

Sincerely,



Equity Insurance

Jackie Allison, Claim Representative

jallison@equityins.net

1-800-777-0404 ext: 4611

Enclosure: Power of Attorney